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Bank Performance, Mergers and Acquisitions in Ghana: The Case of Ecobank Ghana -TTB Takeover and UT Financial Services – BPI Merger

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Abstract

This paper explores bank performance after mergers and acquisition in the Ghanaian banking industry. By using the merger and acquisition of two prominent banks in the Ghanaian banking industry as a case, the paper examines the post-acquisition performance of banks as proxied by Return on Equity (ROE) of the acquiring banks against the financing methods used in the mergers and acquisitions of banks in Ghana, the valuation decisions adopted in the mergers and acquisitions transactions, the distribution policies after the acquisitions, the stance of the parties involved with the merger or acquisition and the synergy created after the merger or acquisition. The study used a simple panel regression model which regressed bank performance of the acquirer on the independent variables. The study conducted the appropriate diagnostics of the model before it was adopted. The results of the statistical analysis reveals that banks which adopt proper valuation models before acquisition, proper financing methods, have good stance after an acquisition or a merger and create synergy after the merger or acquisition perform better after the acquisition or the merger.

Keywords: Merger; Acquisition; Synergy; Return on Equity; Valuation Decision, Financing Methods

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1. Introduction

In the last decade, Ghana's financial sector has witnessed a lot of mergers and acquisitions which changed the ownership structure of banks in Ghana, especially Ghanaian banks from local to expatriate banks. The immense change of ownership structure of most of these banks, as can be noticed, were motivated by the Bank of Ghana's regulations concerning the change in banks' operating in Ghana's minimum capital requirement. The first major increment in the minimum capital requirement of banks came in the year 2008, where the Bank of Ghana set the minimum capital of banks in Ghana at GH¢60 million and in 2013, this figure was further increased to GH¢120 million. The reason for this exercise by the Bank of Ghana was to protect depositor's funds. After these two increment, a lot of banks who could not meet the deadline resorted to mergers and acquisitions in order to comply with the Bank of Ghana's regulations. Banks like Intercontinental Bank, Trust Bank of Ghana and BPI were taken over by Access Bank, Ecobank and UT bank respectively.

Mergers and acquisitions are normally used by corporate organizations as a strategy to stay competitive in their respective industries. Authors in [1] cited the work of authors in [37] who assert that most organizations adopts Mergers and acquisitions as a strategy to help them stay competitive and take advantage of opportunities emanating from the ever changing business environment. Most studies in the area of mergers and acquisitions affirms that organizational performance increases after a merger or acquisition. One of such authors is authors in [20] who aver that firms engaging in M&A activities can expect to improve their performance in terms of overall economic, financial and operating performance to be better off after the merger. They go further to add that such expectations are based on the fundamental theory of mergers and acquisitions which claims that there is a positive gain to both the acquirer and target.

Mergers and acquisitions are seen as major financial breakthrough for organizations with financial difficulties but that is not always the case. In most cases, mergers and acquisitions permit two businesses with comparative advantage in certain fields to join forces and put together their comparative advantages so that they become one and take a leading control in the industry. Author [26] gives three main reasons for merger and acquisition strategy of organizations. The first according to him is to maximize shareholders wealth. Author [20] cited author [26] that the first reason is normally achieved when the consolidation leads to a better scale of economies or scope of economies and (or) there is improved cost reductions (efficiency). The second reason according to author [26] is managerial self-interest which author [26] claims they use as a strategy to defending their authoritative positions. The last reason, according to authors in [20, 26], consists of various factors which make the environment more attractive to M&As and these factors includes the changes in banking sector structure, for instance, increased competition from non-banking competitors and changes in regulations as has been the case of Ghana for some time now.

The general expectation of all mergers and acquisitions is the overall positive impact they normally have on the target and the acquirer as one company. The performance of the new company that emerges out of the merger or acquisition is expected to perform well and to stand the test of competition in the industry. In most cases, this is not always the case. Some companies which have gone through mergers or acquisitions tend out not performing up to expectation and are later merged or acquired by a different acquirer in another merger or acquisition

agreement. This has been happening all over the world and Ghana's banking industry is no exception. The failure is often attributed to improper financing methods used in the merger or acquisition transaction or even the valuation decision adopted in the merger or acquisition transaction. According to author [41] acquisitions fail for different reasons, but one recurrent theme is that acquirers overpay for the target and they overestimate either the target's value, the expected synergies associated with the acquisition, or both. Authors in [5] posit that many mergers that seem to make economic sense fail because managers cannot handle the complex task of integrating two firms with different production processes, accounting methods, and corporate cultures.

The study is motivated by the above mentioned problems to investigate into the mergers and acquisitions that have occurred in the Ghanaian financial sector for the past ten years to evaluate:

1. the financing methods used in the mergers and acquisitions of banks in Ghana;
2. the valuation decisions adopted in the mergers and acquisitions transactions;
3. the distribution policies after the acquisitions;
4. the stance of the parties involved with the merger or acquisition and
5. the synergy created after the merger or acquisition.

This paper defines a company that is acquiring another company as the acquirer and the company being acquired is the target company.

1.1. Scope of Study

The study limited its scope to two main banks which have been involved in mergers and acquisitions in Ghana. That is, Ecobank – Trust Bank of Ghana's acquisition and UT bank – Bank BPI's Merger. There have been several mergers and acquisitions which have taken place in the Ghanaian financial sector during the last ten years. Prominent among them are the mergers and acquisitions between Ecobank and the Trust Bank, UT financial Holdings and BPI, Merchant Bank and Fortis and International Commercial Bank and First Bank of Nigeria (FNB). The criteria used in selecting these two banks is that the merger or acquisition banks selected for the study should have at least operated for three years after the merger or acquisition and the acquirer should be listed on the Ghana Stock Exchange. The two selected banks happened to be the only banks that met the criteria used by the study.

2. General overview of Ghana's financial sector

Ghana's financial sector has gone through a lot of restructuring for decades, all geared towards the improvement of the sector to stand the test of global financial competition. Ghana's financial sector is made up of both banks and non-banking institutions. This study focuses on only the banking industry. Tracing the history of banking in Ghana always takes us back to the late 1800s when the first bank to arrive at the shores of the then Gold Coast, now Ghana, British Bank of West Africa (BBWA- now Standard Chartered Bank), established a branch of the bank in Accra and introduced banking business to the people of the then Gold Coast. In the early 1900s (that is, 1917), Ghana witnessed the first merger and acquisition in the financial sector when the then Colonial Bank, merged with the Anglo-Egyptian Bank, National Bank of South Africa and Barclays Bank under the name,

Barclays Bank (Dominion Colonial and Overseas). This first merger achieved some successes because before the merger, Colonial Bank could not compete keenly with the then BBWA but after the merger, the new bank which was formed, Barclays Bank, became very strong and competed with BBWA intensely.

In the late 1950s, the Bank of the Gold Coast (now, Bank of Ghana) and the Gold Coast Commercial bank (now, Ghana Commercial Bank) were established so that the government of Ghana's accounts as well as commercial banking activities of the citizens of the Gold Coast (now, Ghana) could be managed by a Ghanaian bank and not an expatriate bank as it used to be. When Bank of Ghana came into the scene, they performed the role as a regulator of the banking industry and the banker to the government as well as the issuer of the Ghanaian currency after the introduction of the cedi, among other things. In 2002, the Bank of Ghana Act, 2002, Act 612 was passed by parliament to give full mandate to the Bank of Ghana to perform its regulation duty with full autonomy and free from political influence of the government of the day. Bank of Ghana has introduced a lot of regulations since its inception which are all geared towards protecting the depositor's funds. In 2008, Bank of Ghana increased the minimum capital requirement of Banks to GH¢60 million and this saw a lot of banks merging and some being acquired by acquirers, who were mainly expatriate banks. Another increment in the minimum capital requirement came in 2013, when the bank of Ghana increased the minimum capital requirement from the GH¢60 million to GH¢120 million. A lot of banks have merged with other banks whilst others have been acquired by expatriate banks as a financing strategy for meeting the Bank of Ghana's minimum requirement, whose deadline is in 2016.

3. Selective Review

This part of the study presents the empirical and theoretical review of some selected literature on mergers and acquisitions.

3.1. Overview of mergers and acquisitions

The general understanding of a merger and acquisition is a combination of two firms as one company where the company with the controlling interest is the acquirer and the company which has been acquired is the target. As put by authors in [29, 32], the main difference between a merger and an acquisition lies in the way in which the combination of the two companies is brought about. In an acquisition, the acquirer becomes the controller or the new owner of the acquired company and the old owner(s) die(s) away but in a merger, two companies with common interest or size come together under a consensus to form a new company which will be ran by the two companies' combined as one, under the merger agreement. According to author [33], actual mergers of equals don't happen very often but rather one company will buy another and, as part of the deal's terms, allow the acquired firm to state publicly that the action is a merger of equals, even if it is technically an acquisition. Author [33] asserts that acquisition often carries negative connotations, therefore, by describing the deal as a merger, deal makers and top managers try to make the takeover more palatable.

Variations of mergers and acquisitions

Mergers and acquisitions vary in terms of the motives for the merger or the acquisition and this section

considers the various variations of mergers and acquisitions. Some of these varieties include:

- a. **Horizontal mergers:** these are combination of two firms in the same line of business as proclaimed by author [5].
- b. **Vertical mergers:** involves companies at different stages of production where the buyer expands back toward the source of raw materials or forward in the direction of the ultimate consumer as posited by author [5].
- c. **Conglomerate mergers:** involve companies with different unrelated businesses areas. For instance a telecommunication company merging with a bank. According to author [19], conglomerates are usually used as a way to smooth out wide fluctuations in earnings and provide more consistency in long-term growth.

Theories of mergers and acquisitions

There are a lot of theories about mergers and acquisition and this study discusses the notable ones among them.

- a. **Disciplinary mergers theory:** This theory suggests that mergers and acquisitions are used as a form of disciplinary measure to discipline the managers of target firms who pursue their own selfish interest other than maximizing shareholders' wealth. Managers who pursue their selfish interest tend to create agency problem and when this happens, it affects the profitability of the firm. The firm may perform poorly and consequently, the acquirer would take advantage of the poor performance to acquire the target, replace the poor management team with a good and efficient ones, who will perform efficiently and effectively to improve upon performance of the target company.
- b. **Synergistic mergers theory:** This theory is of the view that the acquirer acquires or merges with the target in order to achieve efficiency. It stems from the premise that when two firms with similarities in performance (that is, the acquirer and the target perform well before the merger or acquisition) come together, they perform even better. The synergistic theory thus implies that target firms perform well both before and after mergers.
- c. **Behavioral and agency theories:** These theories on the other hand, view mergers and acquisitions as resulting from investors and/or managers cognitive biases or the inherent conflicts of interests between managers and investors - author [6].

3.2. Empirical Review

Authors from different geographical jurisdictions have conducted different studies in the area of mergers and acquisitions and they have come up with so many different and similar findings. This section of the study reviews some of these findings.

Author [15] asserts that a lot of studies in the area of mergers and acquisitions have shown that returns to acquiring firms are zero or negative. Authors [10, 28, 30, 38] found little evidence of efficiency gains from mergers and acquisitions by the acquirer. However, authors in [10] cited the work of author [32] who used a balanced panel of large continuous U.S. manufacturing plants from the U.S. Census Bureau's Longitudinal Research Database and found that ownership changes are negatively related to plants' pre-acquisition labor

productivity and that acquired plants had significantly improved labor productivity after mergers. They concluded that ownership change is motivated by lapses in productive efficiency.

Author in [6] cited the work of authors in [38] who found that ownership change is positively related to initial labor productivity and labor productivity growth for small plants but not for large ones. They concluded that buyer firms acquire poorly performing large targets because they are good assets that appeared to be worth fixing and make smaller acquisitions for synergistic reasons.

Author in [3] and authors in [35] document that mergers between banks lead to increased market power and lower deposit interest rates. Author [7, 30, 44] also reported similar evidence for the airline industry.

Authors in [1] conducted a study on the pre and the post-merger performance of firms in Ghana using the experience of Guinness Ghana Breweries Limited and they found that there was a general downward trend in profitability after the acquisition.

3.3. *Financing methods used in mergers and acquisitions*

Financing methods are key in mergers and acquisitions. The methods of financing an acquisition or a merger concerns the financial instruments or tools used by the acquirer to pay for the merger or the acquisition. There are various financing methods and notable among them are cash payment, security payment and leveraged buyout (LBO).

- a. **Cash payment:** this is where the acquirer pays for the target company with cash. This method is seen as the simplest method of financing since the acquirer pays for the assets or stocks of the target with cash.
- b. **Security payment:** under this finance method, the acquirer issues new securities to buy assets or stocks of the target. The two main forms of security are the equity and debt securities. Equity security has to do with the acquirer issuing stocks to pay for the assets or stocks of the target and debt security has to do with the acquirer issuing bonds to pay for the targets assets or stocks.
- c. **Leveraged buyout:** this method of financing acquisition relies on the use of borrowed funds to finance the acquisition. The expectation with leveraged buyouts is that the returns generated on the acquisition will outweigh the interest paid on the debt, hence making it a very good way to experience high returns whilst only risking a smaller amount of capital. The most common way for the debt to be raised is for the target company's assets to be used as collateral for the debt. The acquirer will then either sell off parts of the target company or use its future cash flows to pay off the debt and then exit at a profit.

3.5. *Valuation decisions of mergers and acquisitions*

Several valuation methods are available but it depends on the characteristics of the industry in question and the analyst's preference and expertise as postulated by author [21]. Authors in [21] classify all these valuation methods into two main categories. They are the direct or absolute valuation methods and indirect or relative valuation methods. The direct valuation methods provide a direct estimate of a company's fundamental value. Example is the discounted cash flow method. The indirect valuation method according to authors in [21],

do *not* provide a direct estimate of a company's fundamental value- they do not indicate whether a company is fairly priced; they indicate only whether it is fairly priced *relative* to some benchmark or peer group. Example is the price multiples method of valuation.

Valuation decision of mergers and acquisitions are preferably treated as a capital budgeting decision using the Discounted Cash Flow method. This is due to the fact that discounted cash flow method captures all of the important elements of valuation, it is based on the concept that investments add value when returns exceed the cost of capital. It is calculated by discounting the future expected cash flows over a forecast period, adding a terminal value to cover the period beyond the forecast period and then adding investment income, excess cash, and other non-operating assets at their present values.

3.6. Motivation for mergers and acquisitions (synergy)

Companies get involved in mergers and acquisitions mainly for the value added or synergy they would benefit from the merger or acquisition. According to author [5] a merger generates synergies (that is, added value) if the two firms are worth more together than apart. Suppose that firms A and B merge to form a new entity, AB. Then the gain from the merger according to author [5] is:

$$Gain = PV_{AB} - (PV_A + PV_B) = \Delta PV_{AB}$$

Synergy is thus seen as the difference between the combined value of the two firms as one after the merger and the value of the acquirer before the merger or acquisition. It is normally the main motivation for mergers and acquisitions. Gains from mergers may reflect economies of scale, economies of vertical integration, improved efficiency, the combination of complementary resources, or redeployment of surplus funds [5]. Author [17] describes synergy as the magic ingredient that allows acquirers to pay billions of dollars in premiums in acquisitions. Synergy is categorized into two. Operating and financial synergies. Operating synergies affect the operations of the combined firm and include economies of scale, increasing pricing power and higher growth potential whilst financial synergies are more focused and include tax benefits, diversification, a higher debt capacity and uses for excess cash, as asserted by author in [17].

4. Data

The study depended on the financial reports of the banks involved as the main source of data for the study. Financial reports were downloaded from the websites of banks and information regarding the mergers and acquisitions were picked from them. We also relied on information from the Bank of Ghana's website concerning the acquisitions and mergers that have taken place in the Ghanaian banking industry for the last ten years. Other sources of data used were articles by various authors which we have duly acknowledged. All the figures picked from the financial reports of the banks were subjected to rigorous analysis with the help of Stata statistical software and Microsoft excel application.

5. Model Estimation

This study adopted a simple panel data regression model where post-merger performance of the acquirer was regressed on the independent variables; financing methods used in the merger or acquisition, the valuation decisions adopted in the merger or acquisition, the distribution policy after the merger or acquisition, the stance of the parties after the merger or acquisition and the synergy created after the merger or acquisition. Below is the model:

$$ROE_{i,t} = \alpha_0 + \beta_1 FM_{i,t} + \beta_2 VD_{i,t} + \beta_3 DP_{i,t} + \beta_4 SP_{i,t} + \beta_5 SNY_{i,t} + \varepsilon_{i,t}$$

ROE_{i,t} is the proxy for the acquirer's performance after the merger. It is expected that if the independent variables are well instituted, then the acquirer should have increment in ROE after at least three years of operation as a new organization. ROE_{i,t} is the log of return on equity to shareholders which is measured as the net profit divided by average shareholder's equity. For this study's findings to be well represented, we first calculated the first three years pre-acquisition or merger's ROEs of the organizations involved so that when the post-acquisition or merger's ROEs are calculated, the study will be able to have a true representation of the acquirer's actual performance after the merger or acquisition.

FM_{i,t} means the financing method used by the acquirer in a merger or acquisition. This variable is measured as the log of the type of finance used to finance the merger or acquisition. It is expected that the acquirer either finances the merger or acquisition with equity or debt. If the acquirer uses debt, then it is expected that the acquirer's risk level with respect to running the new firm would increase and there will also exist the possibility of the merger or the acquisition not achieving its goal. On the other hand, if equity is used, we expect that the level of risk with respect to the merger or acquisition would decrease and the possibility of the new firm's profitability increasing after the merger or acquisition will be high for the goal of the merger or acquisition to be achieved.

VD_{i,t} means the valuation method used by the acquirer before the merger or the acquisition, to value the target. This is proxied by the appraisal method the acquirer used to appraise the decision to acquire the target. It is expected that before the merger or the acquisition, the acquirer would resort to the capital budgeting appraisal techniques to appraise the decision to see if its investment in the target will be worthwhile. The acquirer can either use the traditional methods or the discounted cash flow methods or combination of both. We expect that where the acquirer uses the discounted cash flow method or a combination of both, then the acquirer stands a greater chance of succeeding in the merger or the acquisition transaction.

DP_{i,t} means the distribution policy after acquisition. The distribution policy has to do with control of the new firm. This is proxied by the number of shareholdings by the acquirer and the target's existing shareholdings after the merger. We expect that if there is a 100% takeover by the acquirer then the acquirer has 100% control over the new firm. If it is a merger of equals then both the acquirer and the target will have 50% shares each in the new firm.

SP_{i,t} means the stance of the parties (acquirer and the target) after the merger. This is a dummy variable which looks at the percentage of employees of the target, absorbed by the acquirer. We expect that where the acquirer

absorbed more than 50% of the target's workforce, the target would be in good standing with the new firm in terms of its existing employees. So 1 for post-merger absorption of target's employees more than 50% else, 0 for less than 50% employees of the target, absorbed by the acquirer in the new firm.

SNY_{i,t} means the synergy created by the acquirer after the merger or acquisition. It is seen as the difference between the combined value of the two firms as one after the merger and the value of the acquirer before the merger or acquisition (author [5]). This variable is measured as the difference between the combined ROEs of the acquirer and the target after the merger or acquisition and the ROE of the acquirer before the merger or acquisition. We expect a positive sign between this variable and the dependent variable.

$\varepsilon_{i,t}$ is the error term and α_0 is the constant.

6. Empirical Results

Table 1 represents the summary results of the regression model and table 2 represents the pre-acquisition and post-acquisition returns on equities of Ecobank and UT Bank.

Table 1

Variables	Coefficient	Standard Errors
Intercept	2.1***	1.09
FM	1.3***	0.01
VD	0.80**	0.07
DP	0.75*	0.25
SP	0.35***	0.06
SNY	0.09**	0.07
Bank Dummy	Yes	
Time Dummy	Yes	
Observations	18	
R ²	58	
F(.)	54.12	
Prob.>F	0	
Hausman Test: Chi2 (9)	82.51	
Prob>Chi2	0	

Source: Authors' own computation with Stata statistical software

Table 2

	Bank	
Years	Ecobank's ROEs	UT's ROEs
2009	37%	34%
2010	28%	25%
2011	30%	23%
2012	61%	22%
2013	37%	8%
2014	46%	8%

Source: Authors' own computation with the help of Microsoft Excel and the financial reports of Ecobank and UT Bank from 2009-2014.

6.1. Regression results discussion

The statistical results on table 6.1 clearly indicate that all the independent variables determine the success or failure of a merger or acquisition. This study conducted Hausman Specification test to determine the type of effect to use in running the regression. The Hausman test as shown on table 6.1 proved that random effect is more appropriate for a data of such kind. It can be noticed from table 6.1 that all the independent variables, that is, FM, VD, DP, SP and SNY obtained the right signs and were all significant at 1%, 5% and 10% levels of significance. FM obtained a positive theoretical sign as expected which represents positive relationship between financing method used for a merger or acquisition and the successful performance of the new firm formed out of the merger or acquisition. This means that if a merger or an acquisition is financed by equity, there is a greater chance that the merger or acquisition will be successful as reflected in the increment of shareholder's return on equity after the merger or the acquisition. Ecobank-Trust Bank acquisition was financed by Ecobank Transnational issuing shares to buyout the Trust Bank and afterwards transferred the shares to Ecobank Ghana. VD also obtained the expected theoretical positive sign. This means that the valuation decision of the acquirer is a great determinant of the success of the merger or acquisition. If the acquirer uses both the traditional and discounted methods of valuation to value the target before the acquisition or the merger, then there is a greater chance that they will pay for the true worth of the target and get value for their investment. SP also obtained the expected theoretical sign of positive and was significant at 1% level of significance. It was realized that all the two banks absorbed more than 70% of the target firm's employees and that contributed to their success after the merger and acquisition. SNY obtained the expected theoretical sign of positive and was significant at 5% level of significance. This means that when the value added in a merger is huge, the return on shareholder's equity also becomes higher. DP obtained the expected theoretical sign of positive and was significant at 5% level of significance.

6.2. Descriptive statistics discussion

Table 6.2 indicate that the year 2012 in which Ecobank-Trust Bank takeover took place, Ecobank Ghana

increased its ROE immensely from 37% in 2011 to 61%. The ROE decreased in 2013 and took a big leap in 2014. This goes to confirm that the merger and acquisitions have good impact on post-acquisition performance of the acquiring bank. It is a different situation for UT Bank on the other hand, because UT Bank's ROEs have rather diminished after the merger with BPI. This can be attributed to lack of proper road map scheme to ensure the effective implementation of the merger or acquisition strategy, inability to cash in fully on the synergies that the M&As bring and improper handling of post-merger board room conflicts, as posited by author [40].

7. Conclusion

The Ghanaian banking industry has experienced a lot of mergers and acquisitions for the past eight years and these mergers and acquisitions were mostly triggered by the change in the capital requirement of banks by the Bank of Ghana. This study selected two of such banks which have been involved in mergers and acquisitions and are listed on the Ghana Stock Exchange. The study analysed the last three pre-acquisition years of these two bank and the first three post-acquisition years of the bank. The study focused on the financing methods used by the acquiring banks, the valuation decision of the acquiring bank, the distribution policy between the acquirer and the target concerning the new firm, the stance of the acquirer and the target with respect to the absorption of the target's employees and the synergy created by the acquirer in the new firm. The statistical results proves that in a merger and acquisition, if the acquiring firm does not pay key attention to these important variables, the acquisition or merger would not succeed. Ecobank and UT Bank's acquisition and merger have succeeded because the acquirers paid key attention to these variables. Ecobank acquired the Trust bank of Ghana by taking over 100% of Trust Bank's shares and absorbing all the staff of the Trust Bank. UT Holdings Company acquired BPI by buying 40.40% shares of BPI and became the majority shareholder. The merger operated under the name UT Bank. All these two mergers and acquisitions have become successful even though there are some drops in the ROEs as reported on table 6.2 but those drops came about because the banks had to deal with other pressing issues of economic concern such as the power crises, and general economic downturn.

8. Recommendations

The decision of a bank to merge with another bank or acquire another bank involves huge capital outlay and as a result, careful analysis must be done before the final decision is taken. The findings of this study makes clear that there are key areas management must pay considerable attention to when it comes to making a merger or acquisition decision. As a result, this study beliefs that before a decision to merge or acquire another bank is taken, the following should be taken into considerations:

The acquiring bank must conduct an intensive valuation of the bank being acquired using both the traditional and the discounted cash flow methods to ensure that if they come together as in a merger or acquisition, the synergy created will be high enough to increase the ROE of the acquirer.

It is also important for the acquirer to have a proper road map scheme to ensure the effective implementation of the merger or acquisition strategy.

The acquiring bank must make sure that all post-merger board room conflicts are properly handled so that there

will not be any adverse effect on the acquirer as a result of improper handling of post-merger board room conflicts.

This study finally recommends that future studies in this area should expand the scope of the study to include mergers and acquisitions which have taken place in other industries like the telecommunication industry, the manufacturing and many other industries which have experienced mergers and acquisitions. By so doing, a proper comparison of the performance of different organizations from different industries; before and after the merger would be determined and generalizations can then be made to cover all industries in Ghana.

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